

Shrimp Task Force – LDWF Assignments  
10-23-09 DRAFT

State Legislative Actions – LDWF Assignments

Task Force:

- Examine state shrimp management activities and include these in LDWF committee discussions

Action Step – Combine this action into a new recommendation establishing a new Shrimp Task Force, similar to the Oyster Task Force, under the LSPMB and charged with management activities.

- Formulate a definition of Louisiana shrimp for purposes of branding.

Action Step – Develop options of definition for consideration.

For example, borrowing language in LA R.S.56:8(114)(a) which defines “Saltwater Shrimp”, develop a definition of “Louisiana Shrimp”.

LA R.S.56:8(114)(a) "Saltwater shrimp" means all species of shrimp of commercial or economic value found in the coastal waters of the state and in the Gulf of Mexico contiguous to the Louisiana coast, including the white shrimp or "common saltwater shrimp" (*Litopenaeus setiferus*), also called the "lake shrimp"; the brown shrimp (*Farfantepenaeus aztecus*); the pink shrimp (*Farfantepenaeus duorarum*); the "sea bob" (*Xiphopenaeus kroyeri*), also called "six barbes"; and any other shrimp or like species which may be taken from coastal waters or sold through commercial channels.

Option 1 - “Louisiana Shrimp” means brown shrimp (*Farfantepenaeus aztecus*); white shrimp (*Litopenaeus setiferus*); pink shrimp (*Farfantepenaeus duorarum*) and sea bob shrimp (*Xiphopenaeus kroyeri*) having commercial and economic value that are harvested in the coastal waters of the state and in the Gulf of Mexico contiguous to the Louisiana coast or landed at ports located in Louisiana and sold through commercial channels.

Option 2 – Shrimp Packaging Regulations

A. In accordance with the provisions of 56:578.10 the following provisions shall establish the standards for packaging of shrimp in Louisiana for wholesale and retail sale.

B. Definitions

1. In this section “Shrimp” shall mean any fresh or frozen raw shrimp, either, whole, headless, or peeled of the species, white shrimp or "common saltwater shrimp" (*Litopenaeus setiferus*), also called the "lake shrimp"; the brown shrimp (*Farfantepenaeus aztecus*); the pink shrimp (*Farfantepenaeus duorarum*); or the "sea bob" (*Xiphopenaeus kroyeri*), also called "six barbes.

- C. No person shall knowingly possess, package, distribute, label, broker, sell, purchase, or cause to be packaged, distributed, labeled, brokered, or sold any shrimp packaged in Louisiana packaging which were not taken, harvested, or landed in Louisiana.
1. “Louisiana packaging” shall mean any package or container bearing the word “Louisiana” or “Louisiana Shrimp,” or that any way represents the brand name “Louisiana” or that the shrimp is a product of Louisiana.
- D. No person shall knowingly possess, package, distribute, label, broker, sell, purchase, or cause to be packaged, distributed, labeled, brokered, or sold any shrimp packaged in Gulf of Mexico packaging which were not taken, harvested or landed in The Gulf of Mexico or adjoining states of Texas, Louisiana, Mississippi, Alabama, or Florida.
1. “Gulf of Mexico packaging” shall mean any package or container bearing the words “Gulf of Mexico” or “Gulf USA Shrimp,” or that any way represents that the shrimp are a product of the Gulf of Mexico.
- E. No person shall knowingly possess, package, distribute, label, broker, sell, purchase, or cause to be packaged, distributed, labeled, brokered, or sold any shrimp packaged in United States packaging which were not taken, harvested, or landed in the United States.
1. “United States packaging” shall mean any package or container bearing the word “United States,” or “USA,” or “Product of USA,” or that any way represents that the shrimp are a product of the United States.
- F. The penalty for violating any provision of this section shall constitute a class two violation for each violation. The provisions of this section shall not supersede any other state or federal requirements for packaging or labeling shrimp.

Harvesters Advisory Panel Recommendations:

- Legislation to put shrimp industry under the authority of the Louisiana Department of Agriculture and Forestry.

Action Step – The LDWF and the LDAF do not support this recommendation and requests the Task Force take no further action concerning this recommendation.

- Legislation to prevent the false advertising of product as Louisiana shrimp.

Action Step – If the Task Force endorses, see next action step.

- Seek state inspection of imported shrimp through LDHH under the sanitary code and enact new legislation allowing the LDAF to test seafood products.

Action Step – If the Task Force endorses, convene a joint meeting with LDHH & LDAF.

- Work with the Attorney General’s Office to use laws presently in place and enact new legislation to fill in loopholes to discourage and limit re-boxing of imported shrimp into domestic packaging.

Action Step – If the Task Force endorses, meet with the Attorney General’s Office and state legislators to draft legislation prohibiting and establishing penalties for the false advertisement of Louisiana shrimp and identify existing state statutes and LDAF and LDHH rules and regulations pertaining to seafood testing and recommendations developed by the Seafood Safety Task Force in order to develop comprehensive and enforceable regulations.

- Provide funding for necessary improvements to allow for packaging facilities and value added processing facilities.

Action Step – If the Task Force endorses, identify existing state or LDED programs that provide economic incentives or develop new legislation which provides funding.

- In cooperation with the LA Restaurant Association, require LA restaurants to post where there shrimp comes from.

Action Step – If the Task Force endorses, set up meetings with the Louisiana Restaurant Association to identify options or programs which would advertise the availability of Louisiana Shrimp.

- Provide funding for a “branding program set-up properly and protected under the federal “Lanham Act” and ensure that any price increases gained by this effort get passed down to the fisherman.

Action Step – Determine if the Task Force endorses this. Also see “Excise Tax” recommendations.

- Action to allow deferment of payments on disaster assistance loans taken out after the hurricanes of 2005 and 2008 (SBA, Small Business Grant and Loan programs).

Action Step – If the Task Force endorses, letters to the Louisiana Recovery Authority and the Small Business Administration would be drafted for the Task Force requesting their consideration of deferring disaster loan payments.

#### Processors Advisory Panel Recommendations:

- Create a separate shrimp promotion and marketing board devoted to domestic shrimp promotion.

Action Step – If Task Force endorses, meet with state legislators to develop concepts for draft legislation. Include recommendations for state management activities as a charge of the new Task Force.

- Legislation to increase the shrimp excise tax by 25 cents per barrel to devote to domestic promotion and marketing.

Action Step – If Task Force endorses, meet with state legislators to begin developing concepts for draft legislation.

For example, the current excise tax on shrimp is 15¢ per barrel (210 pounds/heads-on equivalent weight). Based on 2008 LDWF shrimp landings statistics, the current excise tax would have generated approximately \$64,571 in revenue. Based on current landings levels, an increase in excise tax from 15¢ per barrel (210 pounds/heads-on equivalent weight) to 25¢ per barrel would generate an estimated \$107,619 or an increase of \$43,048 if R.S. 56:506 was amended.

#### LDWF Tasks – Industry Actions – LDWF Assignments (cont'd)

##### Task Force:

- Identify the numbers of shrimp (poundage or count) in cold storage (from LA processors) currently in holding facilities.

Action Step – We have requested representatives of the American Shrimp Processors Association to develop these estimates.

- Identify the number of employees working for LA shrimp processors.

Action Step – We have requested representatives of the American Shrimp Processors Association to develop these estimates.

#### LDWF Tasks – Task Force Actions – LDWF Assignments (cont'd)

##### Task Force:

- Letters to major buyers strongly encouraging them to purchase and re-sell Louisiana shrimp.

Action Step – Letters mailed to the CEO's of twelve national supermarket chains, October 2009.

- Government issued mandate that state agencies buy Louisiana shrimp.

Action Step – Letters mailed to Louisiana state agencies requesting they serve Louisiana shrimp in public institutions have been mailed, October 2009. A response from the Office of State Purchasing on how state agencies have been participating has been received and appears below:

**From:** Denise Lea <Denise.Lea@LA.GOV>

**To:** Barham, Robert

**Sent:** Wed Oct 21 07:49:24 2009

**Subject:** FW: Louisiana Shrimp - How state agencies are participating

Dear Secretary Barham;

Below is a description of the process taken by the DOA Office of State Purchasing, when a state agency submits a requisition for meat, poultry and/or seafood.

When requisitions are received from the state agencies it is because their intended purchase will exceed their delegated purchasing authority. It can be viewed on-line and on the internet by all. Anyone can bid and bids are awarded to the lowest responsive bidder that is in compliance with the specifications.

Bid prices may vary from agency to agency and also from region to region. There is not a set price for an extended period of time like there is for items on statewide contracts. These items are bid every two or four months depending on the agency's needs. The most common items purchased by the agencies are the domestic farm raised catfish, shrimp, crab meat and crab claws. These seafood items are purchased from Louisiana vendors and are caught in Louisiana waters. This is because of the 10% preference allowed under the procurement code R.S. 39:1595 while purchasing these items. See attached guide

In addition, any vendor that submits a bid on meat, poultry and/or seafood must go through the Grading and Certification Program by the La Department of Agriculture and Forestry. This program ensures that the meat, poultry and seafood products received by state institutions and schools are wholesome and of the highest quality. This is performed by the LDAF meat and poultry inspectors.

R.S. 39:2101 states, "All state agencies, state institutions or local school districts operating food service facilities for students or for patients or inmates in their custody, shall utilize only those meat, poultry and seafood products that have met all LDAF requirements for grading and certification."

Furthermore, "No contract shall be entered into by any state agency, state institution or local school district for the operation of any facility that includes a food service facility, UNLESS the contract contains provisions requiring that any meat, poultry for seafood utilized in such facility has met all LDAF requirements for grading and certification service."

For further information you can contact Jim Jenkins or Carolyn Patin, 225-922-1358 at the Department of Agriculture.

As indicated above, if the dollar amount of the intended purchase is within the agency's purchasing authority, the purchase will be handled at the agency. However, if the intended purchase exceeds the agency's purchasing authority, the agency will send a requisition to the Office of State Purchasing, for bidding and awarding for the agency.

I hope this information is helpful, please do not hesitate to call if you have questions. I can be reached 225-342-8057

Denise Lea  
Assistant Commissioner

## LDWF Tasks – LDWF Assignments (cont'd)

### Task Force:

- Contact NOAA concerning release of CO-OP research survey funds upon receipt of an initial review for document completeness pending proper approval of the state legislative auditor.

Action Step – The State Legislative Auditor met with LDWF staff and expressed that he was not in favor of allowing LDWF to bypass checks designed to ensure completeness of Cooperative Research Surveys as a means of getting fisheries disaster assistance funds out to participants more quickly.

### Harvester Advisory Panel Recommendations:

- A proactive approach to disaster assistance that would disburse funds to the industry immediately after a storm.

Action Step – If the Task Force endorses, request a brief written statement to the Task Force provided by Research and Assessment Division and/or LRA.

- Branding of wild-caught Louisiana shrimp.

Action Step – If the Task Force endorses, Ewell Smith and the LSPMB staff would provide a status report to the Task Force on past and current efforts in developing a branding program.

- Speed up distribution of awards and payments under the fisheries assistance programs.

Action Step – Office of Fisheries provides written summary updates to the Task Force on the status of all three disaster assistance programs (SUP2, COOP, Gustav-Ike).

### SUP 2 - Fisheries Disaster Assistance Program (NOAA Grant # NA07NMF4540373)

Approximately \$28.2 million in disaster assistance funds were allocated to 7,045 qualifying commercial fishermen, 4,624 commercial fishing vessel owners, 634 wholesale/retail seafood dealers and 721 licensed charter boat operators. Application packets were mailed to qualified commercial participants in May, 2008 and to qualified charter boat operators in June, 2008. Payments were mailed beginning in June, 2008. Initial payments to respondents totaled \$23.95 million and plans are being developed to rapidly implement a 2<sup>nd</sup> round of payments to qualifying participants with the remaining balance.

COOP – Cooperative Research Survey Program (NOAA Grant # NA06NMF4540319)

Approximately \$13.8 million was allocated to 4,433 qualifying fishermen and 395 wholesale/retail seafood dealers to complete socio-economic research surveys designed to monitor recovery of Gulf of Mexico fisheries. LDWF has received complete applications from 3,301 of those who are eligible. Approximately 2,080 surveys have been received but only 439 surveys have determined to be complete at this point. To date, 390 participants have received payments totaling \$1,905,801.

Gustav/Ike – Approximately \$30 million was allocated to over 4,000 qualified commercial fishermen and wholesale/retail seafood dealers as part of a reimbursement program designed to assist the commercial fishing industry following Hurricanes Gustav and Ike. Since September 8, 2009, LDWF has distributed payments totaling \$8.12 million to 1,850 qualified recipients.

Processor Advisory Panel Recommendations:

- LDWF devote the shrimp share of unspent third supplemental hurricane disaster money to domestic shrimp promotion and marketing.

Action Step – If the Task Force endorses, Research and Assessment Division would provide a brief written summary report on the status of remaining unallocated funds.